

CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA BENEFITS COMMITTEE

Meeting of Tuesday
April 20, 1976

Attendance: Mr. J. Tait, Chairman; Mr. E. Lemieux; Mr. H. Hemens; Mr. A. Duff;
Dr. J. Smola; Prof. G. Martin; Prof. J.C. Turgeon; Prof. B. Barbieri;
Mr. F. Villemaire; Prof. A. Dickie; Mr. E. McMullan; Mr. C. Waters;
Messrs. R. Brochu, R. Laberge, J. Campbell, G. Tarab, R. Lemieux of
William M. Mercer Ltd.

Minutes of the February 18th 1976 Meeting

On a motion by Mr. A. Duff, seconded by Prof. B. Barbieri and unanimously carried, the minutes of the meeting held February 18th 1976 were carried.

Climate Review

Mr. J. Campbell of William M. Mercer summarized the Climate Review Report previously circulated to Committee members. He reviewed the methodology and the major findings of the report.

William M. Mercers' benefit proposals

Copies of a document containing William M. Mercers proposals were circulated to the Committee members. This document was arranged in event sequence starting with benefits proposed in case of death. In view of greater financial implications of retirement and because of his inability to attend the meeting in the afternoon, Mr. Lemieux asked that the order be changed and that retirement be dealt with first. This request was agreed to by the Committee and Mercers stated that it would not have any major effect on their presentation.

Retirement Benefits

Two major approaches were proposed:

- a) Alternative I: a contributory 2% plan based on best average earnings.
- b) Alternative II: a contributory 1.8% plan permitting the participant to opt out of contributing either temporarily or permanently. For the period or periods of non-contribution, the participant would be credited at the rate of 1.1% rather than 1.8%. The cost of the 1.1% plan would be paid by the University.

These alternatives were discussed in some detail. The advantages of Alternative II were that it would allow those not presently covered by a pension to remain outside but that it would provide a minimum pension to all retirees. There was some doubt as to the possibility of making Alternative I compulsory to these staff members who had opted out.

The main disadvantage of Alternative II as pointed out by the committee was the fact that the formula was reduced to 1.8% due to more liberal provisions in vesting and termination benefits. It was generally agreed that a roll-back from the 2% benefit level would be perceived by the University community as a regressive step; the logic of the approach would be difficult to explain.

Mercers was therefore requested to re-work Alternative II to come out with a 2% formula. It was recognized that to maintain the same cost, some other provisions would have to be modified.

Death Benefits

Mercer's approach was again to present two alternative approaches. The first alternative was to provide a University paid basic benefit with an option available to the participant to purchase a 40% survivor income and/or supplementary lump sum insurance. The second alternative would provide a higher University paid basic benefit with an option to purchase additional lump sum insurance. In both alternatives, the optional insurance would be subsidized by the University.

These approaches were discussed by the Committee. It was generally felt that the first alternative offered greater flexibility and would accommodate those in the present Loyola plan who are covered by Survivor Income Benefits. It would also give a greater choice of options whereby it would be possible to be covered for life insurance at a level of three times earnings plus a Survivor Income Benefit.

Disability Income

Considerable discussion was held on the length of short-term sick-leave which should be accorded. Staff members of the Loyola campus are presently covered for three months at full pay. Sir George Campus staff members are covered for up to a maximum of fifteen weeks subject to service requirements. It was generally agreed that provision of four months short term sick-leave at full pay would be desirable as no staff member would be deprived.

Mercers suggested two alternative long term disability plans, one with indexing to a maximum 3% and the other one without. Both alternatives based benefits on a 66 2/3 % of earnings formula. Mercers also recommended in their proposals that the rehabilitation offset be reduced to 50% from its current 70%. It was also pointed out that some level of maternity benefits would have to be paid in view of pending human rights legislation.

Health Plans

Two alternative proposals were made. Both provided the same coverage and the same deductible of \$25.00 per family. Alternative I proposed 80% co-insurance and Alternative II proposed 90% coverage. The maximum deductible of \$25.00 for a family was received favorably by the Committee. An increase to 90% co-insurance while desirable, was not considered an absolute priority.

Dental Care

William M. Mercer presented a dental care proposal. Mercers pointed out that any dental care plan, in view of its highly selective nature, would require substantial subsidizing by the University to bring participation to an acceptable level.

The Committee agreed that a dental plan was desirable but that costs would prohibit its introduction at the present time. Implementation of a dental plan would necessitate reduction in other benefits areas which was an unacceptable alternative to the Committee.

Next Meeting

The Chairman asked what kind of timing was required to maintain the September 1 target date. It was pointed out that the final Board meeting would be held in the second week of June; this would be the latest date at which approval to the recommendations could be given.

To meet this final deadline, the Committee agreed that a meeting would be convened on May 11th or May 12th. From the results of the present meeting Mercers would prepare a final costed proposal which would be presented at the May meeting for refinement and approval by the Committee.

The meeting adjourned at 5:10 p.m.

G. Martin - Secretary

CW/dg